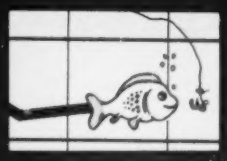

- Enterprising operators grapple with recession
- Cable copyright bill impasse finally breaks
- NECTA convention takes hard look at hot issues
- MSOs looking at large legal bill in New York

CableVision

The news and features weekly of the cable television industry October 4, 1982 $3.00

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The idyll ends

Gene Jankowski recounts journey of CBS Cable

Partners wiring America: The cable matchmakers

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CableVision | October 4, 1982. Volume 8, Number 5

Between the lines/5
CableScope/9
Newswire/10
Leading the week/13
Programming/21
Marketing/36
CableVision Plus/47
Advertising/71
Business/73
Franchising/84
Government & law/86
Technology/91
People/95
Classifieds/103
Advertisers' index/107
From Washington/108
Cable stats/111
Parting words/114

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NECTA gathering

The New England Cable Television Association held its annual convention last week on Cape Cod. All previous attendance marks were broken. **Leading the week, pages 13-16.**

Listening posture

Warner Amex, one of the bedrocks of the cable industry, drew attention as American Express signaled a willingness to "listen" to other firms interested in joining the partnership. **Leading the week, pages 13-16.**

Gridiron guessing

If the National Football League players' strike doesn't come to a quick settlement, it could catapult pro football to Ted Turner's broadcast and cable empire. That major "if" is joined by a plethora of other problems surrounding the deal. **Leading the week, pages 13-16.**

Copyright's rebirth

Cable and broadcast lobbyists have reached an agreement that broke the impasse over the cable copyright bill (H.R. 5949) and the measure began to move through the House. **Leading the week, pages 13-16.**

'Pass-along' setback

Chuck Dolan's Cablevision Systems receives a setback from the New York State Cable Commission on "pass-along" franchise fees. **Leading the week, pages 13-16.**

Signing on

The Silent Network, a satellite-delivered, advertiser-supported cable service, is being aimed at the nation's 22 million hearing impaired people. **Page 21.**

Learning approach

The Appalachian Community Service Network is applying its focus as The Learning Channel, helping viewers to advance in their jobs or change careers. **Page 21.**

The right bait

CableVision takes a long, hard look at how cable operators and programmers are keeping the recessionary wolf away from the door. Incentives, innovative planning and a lot of hard work, coupled with some luck, seem to be the magic formula. **Page 36.**

'. . . being watched'

Faced with the continuing popularity of ON TV and SelecTV, CommuniCom Cable has committed what it believes to be an unprecedented $500,000 for its newest ad campaign. **Page 71.**

Labor management

Management causes labor problems, not unions, maintained three lawyers who specialize in representing management and labor disputes. That was one of many topics addressed at the NECTA annual convention. **Page 73.**

Franchising bill

The six MSOs hoping to operate cable systems in New York's outer boroughs may have to pay out $1.5 million for the city's legal fees. **Page 84.**

Voice of the cities

The National League of Cities and other opponents of the Cable Telecommunications Act of 1982 (S. 2172) have launched what appears to be a winning battle. Cynthia Pols, NLC legislative counsel, is spearheading that drive and told *CableVision* the reasons behind the fight. **Page 86.**

About the cover

Robert Tonsing, Titsch design/graphic director, photographed this week's cover of Gene Jankowski.

This Week in PLUS

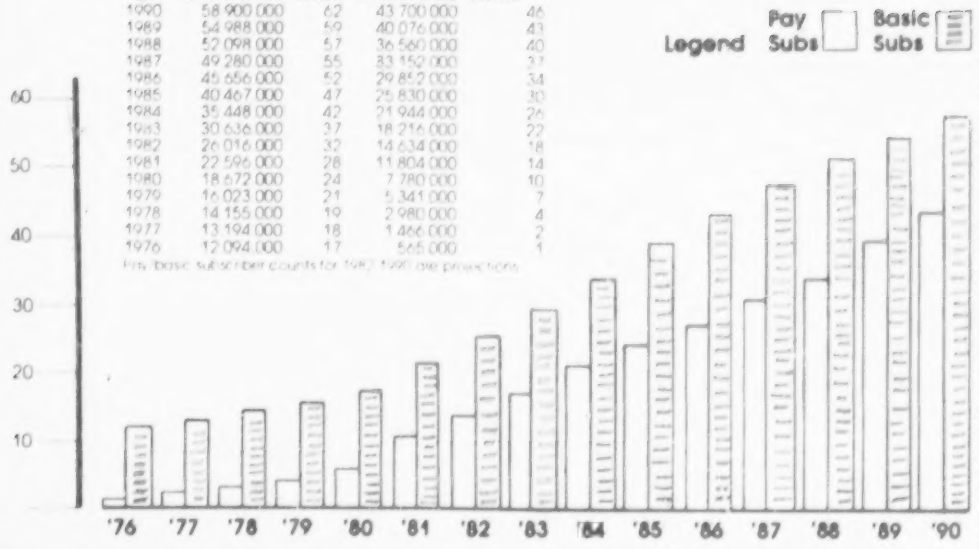
CBS Cable had class. It had courage. It had critical acclaim. But with five million subscribers and the cabling of cities a long way off, CBS Cable lacked one thing—clout. It was a noble experiment that was perhaps a bit too far ahead of the times to survive, says Gene Jankowski, president of the CBS Broadcast Group in an interview with *CableVision*'s Jeri Baker. Jankowski scores the rumor mill and the economy in a thoughtful commentary on the demise of a dream. Selling partnerships may be one of the best schemes ever devised for finding money to build cable systems—but it is not an easy way to make a living, say the industry's prominent practitioners. Daniels, Jones, Comcast and Heritage are featured in Gary Rothbart's report on the cable matchmakers. **Pages 47-70.**

Cable stats

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58 900 000	62	43 700 000	46
1989	54 988 000	59	40 076 000	43
1988	52 098 000	57	36 560 000	40
1987	49 280 000	55	33 152 000	37
1986	45 656 000	52	29 852 000	34
1985	40 467 000	47	25 830 000	30
1984	35 448 000	42	21 944 000	26
1983	30 636 000	37	18 216 000	22
1982	26 016 000	32	14 634 000	18
1981	22 596 000	28	11 804 000	14
1980	18 672 000	24	7 780 000	10
1979	16 023 000	21	5 341 000	7
1978	14 155 000	19	2 980 000	4
1977	13 194 000	18	1 466 000	2
1976	12 094 000	17	565 000	1

Pre. basic subscriber counts for 1981-1990 are projections



Cable barometer

Television households (TVHH) ... 81,500,000

Homes passed by cable (HP) 44,252,000

Percent of TVHH passed by cable 54.30%

Basic cable subscribers 24,242,000

Percent of TVHH with basic cable .. 29.75%

Percent of HP with basic cable .. 54.78%

Pay cable subscribers 13,219,000

Percent of TVHH with pay cable ... 16.22%

Percent of HP with pay cable ... 29.87%

Percent of basic subs with pay cable 54.29%

Figures are as of May 31, 1982

Film product comparison—October

Film	Networks					Distributor
Adventures of the Wilderness Family	HBO		TMC			Simcom
The Affairs of Dobie Gillis		ST				MGM/UA
Agency	(HBO)		TMC*			Viacom
Airplane			(TMC)	(HTN)		Paramount
Alice Sweet Alice		ST*				Lorimar
All Night Long		ST*			C*	Universal
All the Marbles	(HBO)	(ST)	TMC*			MGM/UA
Altered States		ST				Paramount
American Gigolo		ST*	TMC*		C*	Paramount
Animals are Beautiful People				(HTN)	C	Warner Bros
Any Number Can Play					C	MGM/UA
Any Which Way You Can		ST	TMC	HTN		Warner Bros
Arthur	HBO	ST	PAC	HTN		Warner Bros
Ask Any Girl				HTN		MGM/UA
Athena		ST				MGM/UA
Baa Baa Black Sheep					C	Granada
Bear Island	HBO					Selkirk
Beau Pere			TMC			Film Gallery
Beyond Evil		ST				Film Gallery
Black Beauty	(HBO)	ST				Paramount
Blood Barrier		(ST)	TMC			Hemdale
Bloodbrothers		ST			C*	Warner Bros
The Blue Lagoon	HBO	(ST)	(TMC)			Columbia
Body and Soul		ST	TMC			Viacom
Body Heat	HBO	ST	TMC			Warner Bros
The Boogey Man			TMC*			GS
Breaker Morant				(HTN)	C*	New World
Breakthrough	(HBO)			HTN		Worldvision
Brian's Song		ST*		(HTN)	C*	Columbia
The Brothers Karamazov				HTN*	C	MGM/UA
Can You Keep it Up for a Week?		ST				Miramax
Candy					C	Viacom
The Cannonball Run	HBO*					HBO
Carbon Copy	HBO*					Embassy
Carry on, Emmanuelle		ST*				Excel Video
The Cat and the Canary			(TMC)	HTN*		Universal
The Cincinnati Kid					C	MGM/UA
Circle of Two	HBO*		(TMC)			World Northal
The Club		ST				Cinaco
Coming Out Alive			TMC			D.L. Taffner
Confessions of a Window Cleaner					C	Columbia
Contract on Cherry Street	HBO*					Columbia
Death Valley	HBO	ST	(TMC)			Universal
The Elephant Man				(HTN)	C	Paramount
Endless Love	HBO*					PolyGram
Emily		ST				Atlantic
Escape from New York	(HBO)				C	Embassy
Faae to Black		ST	(TMC)			Compass International
Far from the Madding Crowd	(HBO)	(ST)		HTN*		MGM/UA
Father of the Bride		(ST)		HTN	C	MGM/UA
Fear No Evil		ST			(C)	Embassy
Fiddler on the Roof				HTN	C	MGM/UA
The Fifth Musketeer					C*	Columbia
The Final Conflict	HBO					20th Century-Fox
First Family	(HBO)	ST				Warner Bros
First Monday in October	HBO	ST	TMC	HTN		Paramount

Film	Networks					Distributor
The First Time					TMC	Film Gallery
The 500 Pound Jerk					HTN	Universal
Forever Darling		ST				MGM/UA
The Formula		ST				MGM/UA
Fort Apache the Bronx					C*	HBO
The Four Seasons	HBO*	(ST)	(TMC)	(HTN)		Universal
The French Woman		(ST)			C	Orion
From Hell to Victory	(HBO)		(TMC)	HTN*		Worldvision
Galaxy of Terror	(HBO)	(ST)	TMC			New World
The Gambler			TMC			Viacom
The Gang That Couldn't Shoot Straight				HTN		MGM/UA
The Great Bank Hoax				(HTN)	C	Warner Bros
The Great Brain					C	HBO
The Great Caruso				HTN		MGM/UA
The Great Muppet Caper	HBO*					AFD
The Great Train Robbery				HTN	C	MGM/UA
Green Ice	HBO					AFD
Halloween II	HBO	ST	TMC			Universal
The Hanging Tree				(HTN)	C*	Warner Bros
Hans Christian Andersen's Magic Adventure					C*	Angel Ibarra
The Happy Hooker Goes To Hollywood					C*	Swank
Harry's War	HBO*	(ST)	(TMC)			Cy Fisher
Heartbeeps		ST	(TMC)	(HTN)		Universal
Heartland		ST*	(TMC)			Wilson Morris
Heaven Can Wait	(HBO)	(ST)	(TMC)	(HTN)		Paramount
Hell's Angels				(HTN)	C	Universal
High Ice					C	HBO
High Midnight				HTN		Universal
History of the World, Part I	HBO*	(ST)	(TMC)			20th Century-Fox
Hoodwink			TMC			AFD
The Hound of the Baskervilles			TMC			Film Gallery
House Calls	HBO	ST	TMC	HTN		Universal
The Howling		ST*				Wescom
The Hunter		ST	(TMC)		C*	Paramount
I Sent a Letter to My Love		(ST)		HTN		Atlantic
I'll Cry Tomorrow				(HTN)	C*	MGM/UA
Improper Channels		ST		(HTN)		Crown International
The Incredible Shrinking Woman		(ST)	(TMC)	HTN		Universal
In Praise of Older Women					C*	Embassy
Inside Moves			(TMC)		C*	AFD
The Irishman	HBO*					Atlantic
Islands in the Stream	HBO			HTN		Paramount
The Jazz Singer	HBO				(C)	EMI
Jonathan Livingston Seagull				HTN		Paramount
Joseph Andrews			TMC			Paramount
Jupiter's Darling				HTN		MGM/UA
Key to the City		ST*				MGM/UA
The Kid from Not So Big	HBO*			(HTN)		Film Gallery
Incorrigible					C	Orion
La Cage Aux Folles	HBO				(C)	MGM/UA
La Strada					C	Janus
Lady Oscar			TMC			Sanrio
Legend of the Wild	HBO					Sunn Classic
Let's Do It Again					C*	Warner Bros
Lion of the Desert	HBO*					Magnum
Little Darlings		(ST)	(TMC)		C*	Paramount

Cable stats

Film	Networks					Distributor
The Little Dragons		ST	(TMC)			Scott Mager
The Little Hut		ST				MGM/UA
Looker	HBO*	ST*	TMC*	(HTN)		Warner Bros
The Looney, Looney, Looney Bugs Bunny Movie	HBO*	(ST)	(TMC)	(HTN)		Warner Bros
Loophole				HTN*		Telepictures
The Loved One		ST				MGM/UA
Lovers and Liars			TMC*			Samuel Goldwyn Co
Lunch Wagon		ST*	(TMC)		C*	Seymour Borde
Mad Max					C*	Orion
Marco Polo Jr.				HTN		SMA Entertainment
The Marvelous Land of Oz				HTN*		Universal
The Mirror Crack'd					C	EMI
The Million Dollar Face					C	HBO
Mommie Dearest	HBO*	ST*	(TMC)			Paramount
Monty Python and the Holy Grail			(TMC)		C*	Cinema 5
Moscow Does Not Believe in Tears		ST	(TMC)			IFEX
My Champion	(HBO)	ST*				Film Ventures
My Passion			TMC			Thorn EMI
Naughty Wives		ST				Wrightwood
The Nesting	HBO*					Kaiser Cable
The Night the Lights Went Out in Georgia	HBO*					Viacom
Nijinsky		ST			C	Paramount
The Offence					C	MGM/UA
On the Air Live with Captain Midnight			TMC			Paramount
On the Nickel			TMC			A. Bell
One on One	HBO			HTN		Warner Bros
Only When I Laugh	HBO*					Columbia
Ordinary People			(TMC)		C	Paramount
Pacific Inferno			TMC			SMA Entertainment
Paper Tiger			(TMC)		C	Castle Hill
Phobia		ST				Paramount
The Pilot	(HBO)		(TMC)	HTN*		Atlantic
Popeye			TMC	(HTN)		Paramount
Portrait of a Rebel: Margaret Sanger	HBO					HBO
The Private Eyes	HBO			HTN*		HBO
Private Lessons	HBO	ST	TMC			Universal
The Pursuit of D.B. Cooper					C	Polygram
The Rain People					C	Warner Bros
Rainbow Country		(ST)			C	MGM/UA
Raphaniah					C*	Janus
Return of the Dragon			TMC			Warner Bros
The Return of a Man Called Horse					C*	MGM/UA
Road Games			TMC		C	Embassy
Robin and Marian					C*	Columbia
Rockshow					C*	Miramax
Royal Wedding		(ST)		HTN*		MGM/UA
Salem's Lot: The Movie	(HBO)	ST				Warner Bros
The Sea Wolves	HBO					Lorimar
The Shogun Warriors Grandizer		ST				Itum Group
Silence of the North	HBO		(TMC)	(HTN)		Universal
Silk Stockings		(ST)			C	MGM/UA
Silver Bears					C	Viacom
Sinbad and the Eye of the Tiger					C*	Columbia

Film	Networks					Distributor
Sphinx		ST*		(HTN)		Warner Bros
Spirit of the Wind	HBO	ST				Atlantic
The Split					C*	MGM/UA
Stir Crazy		(ST)	TMC			Columbia
Strange Behavior		ST*	TMC			World Northal
Stripes	HBO*	(ST)	(TMC)	(HTN)		Columbia
Sunday in New York		ST				MGM/UA
Sunday Lovers			TMC			MGM/UA
Superfly					C*	Warner Bros
Take This Job and Shove It	(HBO)				C	Embassy
Tarzan, The Ape Man	HBO*	(ST)	(TMC)			MGM/UA
tattoo	HBO	ST	TMC			20th Century Fox
Tell Me a Riddle			TMC*			Film Gallery
Tess	(HBO)			HTN*		Columbia
Three Guys Named Mike		ST				MGM/UA
Toby and the Koala Bear		(ST)	TMC		(C)	Satori
Tom Sawyer					C*	MGM/UA
Tribute					C*	HBO
Trilogy	HBO	(ST)				Viacom
Turtle	HBO*					Embassy
The Tunnel of Love		ST				MGM/UA
Two Weeks in Another Town				HTN		MGM/UA
Underground Aces			TMC			Orion
Urban Cowboy					C*	Paramount
The Venetian Affair				HTN		MGM/UA
The Wanderers					C*	Warner Bros
The Water Babies			(TMC)	HTN*		Scott Mager
Who Has Seen the Wind	HBO		TMC			Janus
Wolfen	(HBO)	ST*	(TMC)			Warner Bros
Zoot Suit		ST	(TMC)			Universal
Zorro, The Gay Blade	(HBO)	(ST)	TMC*	(HTN)		20th Century Fox

■ **Cable Network Legend**
HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network Plus
C—Cinemax

■ Networks in parentheses indicate carriage in May, June, July, August and/or September.

■ An asterisk following a network indicates the film is a carry over from May, June, July, August and/or September.

■ In total, 198 films appear on the October schedules of HBO, Showtime, The Movie Channel, HTN Plus and Cinemax. Of those titles during the last six months (May-September 1982), nine films have appeared on four of the five services, 28 on three and 58 on two services. One hundred and three films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 35, followed by Warner Brothers with 21 and Paramount with 18.

■ A clean sweep of program guide covers this month for "Arthur," the millionaire playboy comedy starring Dudley Moore. The film gets solo cover coverage on the HBO and HTN Plus guides and shares billing with "Body Heat" on the HBO/Cinemax and TMC guides. Also on the Cinemax guide: boxing champion Marvin Hagler in an upcoming match, and an Elizabeth Taylor film festival. First Monday in October," starring Walter Matthau with Jill Clayburgh, appears on the TMC and Showtime guides. Also on Showtime: the Broadway special "Fifth of July," and another episode of "Fame Take Theater."

■ Last month's "Film product comparison" chart (CV, 9/6/82, pps. 135-136) inadvertently omitted two movies featured on Cinemax's program guide—"Tribute" and "Endless Love." CableVision regrets the omission.

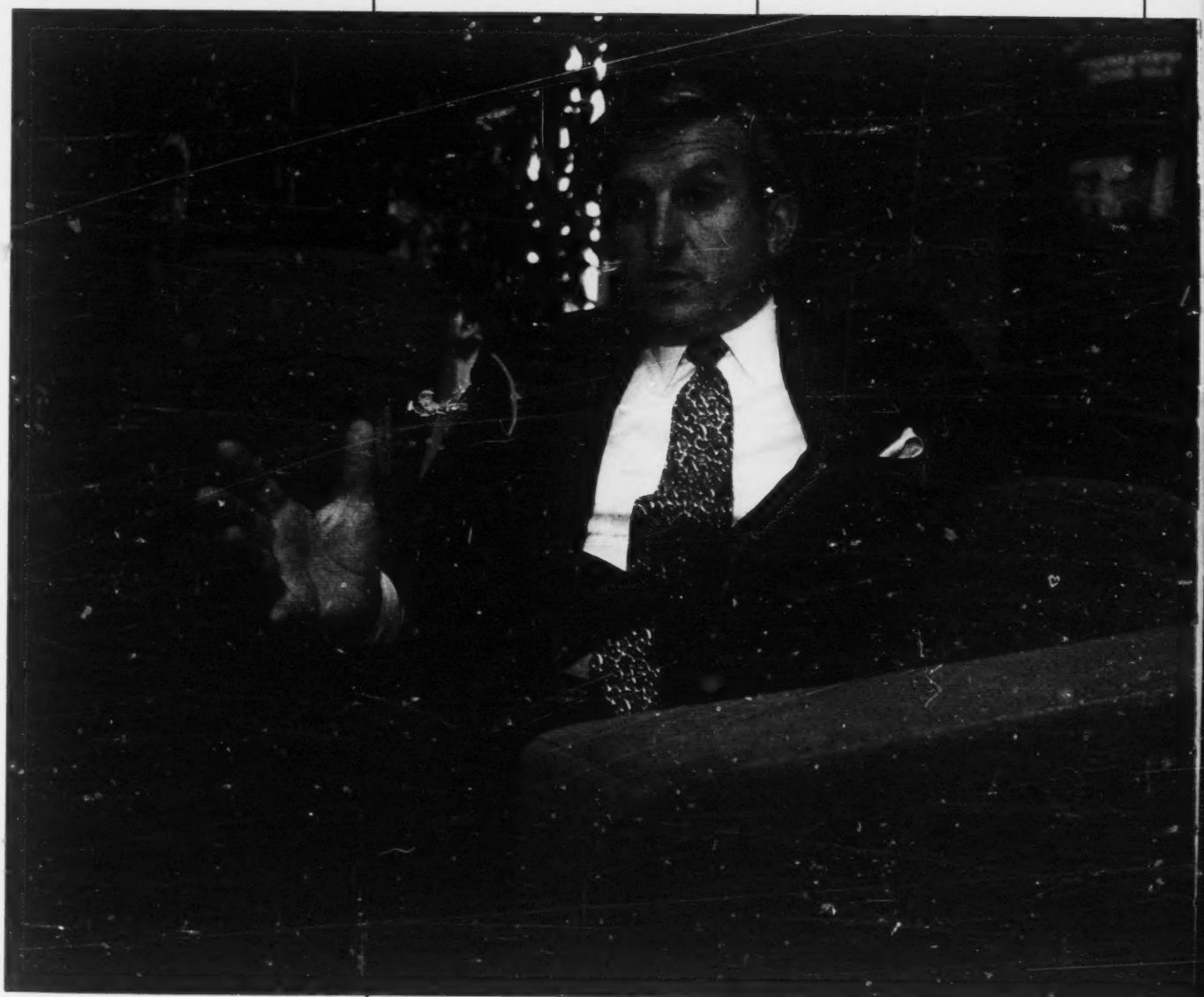
Satellite-fed cable programming services

Basic services	July 30, 1982 Affiliates	July 30, 1982 Subscribers	August 30, 1982 Affiliates	August 30, 1982 Subscribers
Alpha (Repertory Television Service (ARTS)	1,650	7,500,000	1,650	7,500,000
Appalachian Community Service Network (ACSN)	224	1,720,717	244	1,800,000
Black Entertainment Television (BET)	865	9,800,00	865	N.A.
CBN Cable Network	3,050	17,400,000	3,135	17,400,000
CBS Cable	502	5,000,000	504	5,000,000
Cable News Network (CNN)	2,556	13,955,000	2,681	14,670,000
CNN Headline News	205	1,450,007	232	1,600,000
Cable Satellite Public Affairs Network (C-SPAN)	1,000	11,000,000	1,000	11,000,000
Cable Health Network (CHN)	N.A.	N.A.	N.A.	N.A.
Daytime	422	5,800,000	500	6,900,000
Dow Jones Cable News	48	550,000	55	600,000
Electronic Program Guide (EPG)	24	370,000	34	509,791
Entertainment and Sports Programming Network (ESPN)	4,211	17,520,187	4,392	18,646,456
Eternal Word Television Network (EWTN)	32	437,000	53	565,000
Financial News Network (FNN)	26	450,000	30	679,000
Modern Satellite Network (MSN)	389	4,833,000	800	5,240,760
Music Television (MTV)	N.A.	N.A.	700	6,000,000
National Christian Network	50	746,228	68	1,360,531
National Jewish Television	97	2,146,100	98	2,146,200
Nickelodeon	1,725	7,700,000	1,770	8,700,000
North American Newstime/The Travel Channel	N.A.	N.A.	N.A.	N.A.
PTL Satellite Network	500	5,500,000	500	5,500,000
Reuters News View	N.A.	N.A.	N.A.	N.A.
National Spanish Television Network (SIN)	192	30,367,300	192	30,367,300
Satellite Program Network (SPN)	400	4,757,126	410	4,757,126
Satellite News Channel	425	3,100,000	425	3,100,000
Trinity Broadcasting Network	213	2,650,000	213	2,650,000
USA Network	2,000	12,000,000	2,000	12,000,000
The Weather Channel	485	4,600,000	534	5,100,000
WGN	1,098	9,328,823	3,230	9,619,396
WOR	620	4,200,000	630	4,234,301
WTBS	4,337	22,005,000	4,535	22,005,000
Basic audio services				
Lifestyle	63	650,000	68	700,500
WFMT	147	837,714	153	854,273
Pay services				
Bravo	40	65,734	N.A.	N.A.
Cinemax	1,000	1,500,000	1,000	1,500,000
The Entertainment Channel (TEC)	N.A.	N.A.	15	N.A.
EROS	7	35,000	10	50,000
Escapade	170	265,478	N.A.	N.A.

Pay services	July 30, 1982 Affiliates	July 30, 1982 Subscribers	August 30, 1982 Affiliates	August 30, 1982 Subscribers
Galavision	134	100,000	145	100,000
Home Box Office (HBO)	3,600	9,000,000	3,600	9,000,000
Home Theater Network Plus	N.A.	N.A.	N.A.	N.A.
The Movie Channel (TMC)	2,150	2,200,000	2,150	2,200,000
Showtime	1,800	3,500,000	1,800	3,500,000

Announced satellite-fed cable services	Projected launch date
ABC/ESPN Pay Service	4th quarter 1982
Aim Group Network	to be announced
Apollo Satellite Television	TBA
The Buena Vista Channel	1st quarter 1983
Cable News Corporation	1/36
Cablenop	4/83
Catholic Telecommunications Network	9/82
Christian Media Network	relaunch TBA
Cinemerica	TBA
The Community Channel	TBA
The Disney Channel	2nd quarter 1983
Family Programming Network	TBA
Heartbeat Media Network	4th quarter 1982
Home Music Store	1983-84 launch
The Job Channel	TBA
Kidvid Network	10/82
Lewmark Production Music	TBA
Magicable	3rd quarter 1984
Nashville Network	2/83
National Jazz Network	1982
PBS Cable	TBA
Penthouse Entertainment Network	TBA
Satellite News Channel II	2nd quarter 1983
Sitcom Channel (Channelertainment)	1st quarter 1984
Spanish Universal Network	TBA
SPN/International Network	TBA
SPN/Financial Religious Network	TBA
SPN/Classic Movie Network	TBA
SPN/How-To Network	TBA
Top Entertainment Network	TBA
United Satellite Television Network (4 services)	1st quarter 1983
UTV Cable Network	1/83
Video Concert Hall	TBA
Window	TBA

[1] Total SIN reach. Estimated Spanish-speaking households (including broadcast stations and translators): 24,000,000.
[2] Subscriber count denotes households receiving signal.
N.A. designates not available.



Gene Jankowski stresses that although CBS Cable is no longer, the venture was not a total failure. In terms of the programming content, "Everybody's very, very proud of what we were able to provide." At right, "40 Second Variations" by Kenneth Rinker and Co.

CV PLUS design by Robert D. Tonsing

Conclusion of a class act

CBS/Broadcast Group president reflects, projects, deflects on the eve of CBS Cable's first and last birthday.

By Jeri Baker

photo by Robert D. Tonsing

Gene Jankowski, a youthful, athletic-looking 48, has more than two decades behind him at CBS Inc. He emerged from the radio and TV sales ranks to become corporate controller in 1976. By 1977, he'd won his current post, which has grown to include cable and ventures into teletext and multichannel MDS.

So when he agrees to an interview—as he did both before and after announcement of the decision to end CBS Cable, he is more than veteran enough to recollect certain things his company wants discussed and certain things it doesn't.

That was already clear when, after a few opening parries, the first meeting broke for President Reagan's hastily televised announcement of the agreement on Palestinian withdrawal from West Beirut.

Reagan was avalanched with questions, though reporters had been told none would be taken. As he tarried, reluctantly fielding one after another, Jankowski bounded toward the bank of monitors on his wall as if physically to shepherd the president offscreen. "Leave, leave," he urged. "You don't have to answer. Just walk away."

It was a scene to give pause to anyone coming to question Jankowski himself.

CBS had been frankly unenthusiastic about the timing of the first encounter. CBS Cable was on the block. Beleaguered employees openly predicted that any minute there would be a merger of the basic cable network with Cablevision Programming Enterprises' Bravo, the pay version of cultural programming. But there could be no public acknowledgement of those talks, and CBS was to become more and more chagrined by optimistic leaks that ultimately proved wrong.

In addition, unknown to interviewer and interviewee, their Friday meeting would be followed Monday by a *New York Magazine* scoop that CBS chairman William Paley had decided to retire. The corporate reaction, or lack of it, touched off rumors that CBS Inc. President Thomas Wyman had been unaware Paley was telling friends of a firm plan.

Things were, in short, in flux.

Students of the company have always believed Wyman, and John Backe before him, tailored CBS' delicate cable entry to appeal to Paley's interest in the performing arts. Wouldn't Wyman be all the more inclined to transform or abandon it if Paley were gone? Jankowski himself, according to a former peer, was no fan of CBS Cable and hadn't cheered its switch from corporate unit to a division of his Broadcast Group. Broadcasting had carried the load for CBS Inc. in 1981, accounting for more than half its after-tax earnings, while other traditional lines of business wobbled.

Jankowski, it's said, foresaw the resentment of CBS broadcast affiliates, to whom, by virtue of his position, he *is* the network. The same source credits him with

'It was noble try. Maybe it was just a little bit premature.'

"Pilobolus on Broadway," a CBS Cable production in association with McCann and Nugent, was one of the network's scheduled 1983 offerings.

accurate judgment about the new venture's troubled road.

CBS Cable's losses, confirmed at $30 million-plus for 1982, stemmed partly from Paley's own override of a plan to cut back quickly on program production and acquisition. The original strategy called for a lavish debut to establish the image. Then the tiny network would rely on re-runs and wait out any advertiser reluctance before committing to big budgets. But the chairman, so the story goes, was proud of the programming, which continued to collect raves. He wanted much more of it.

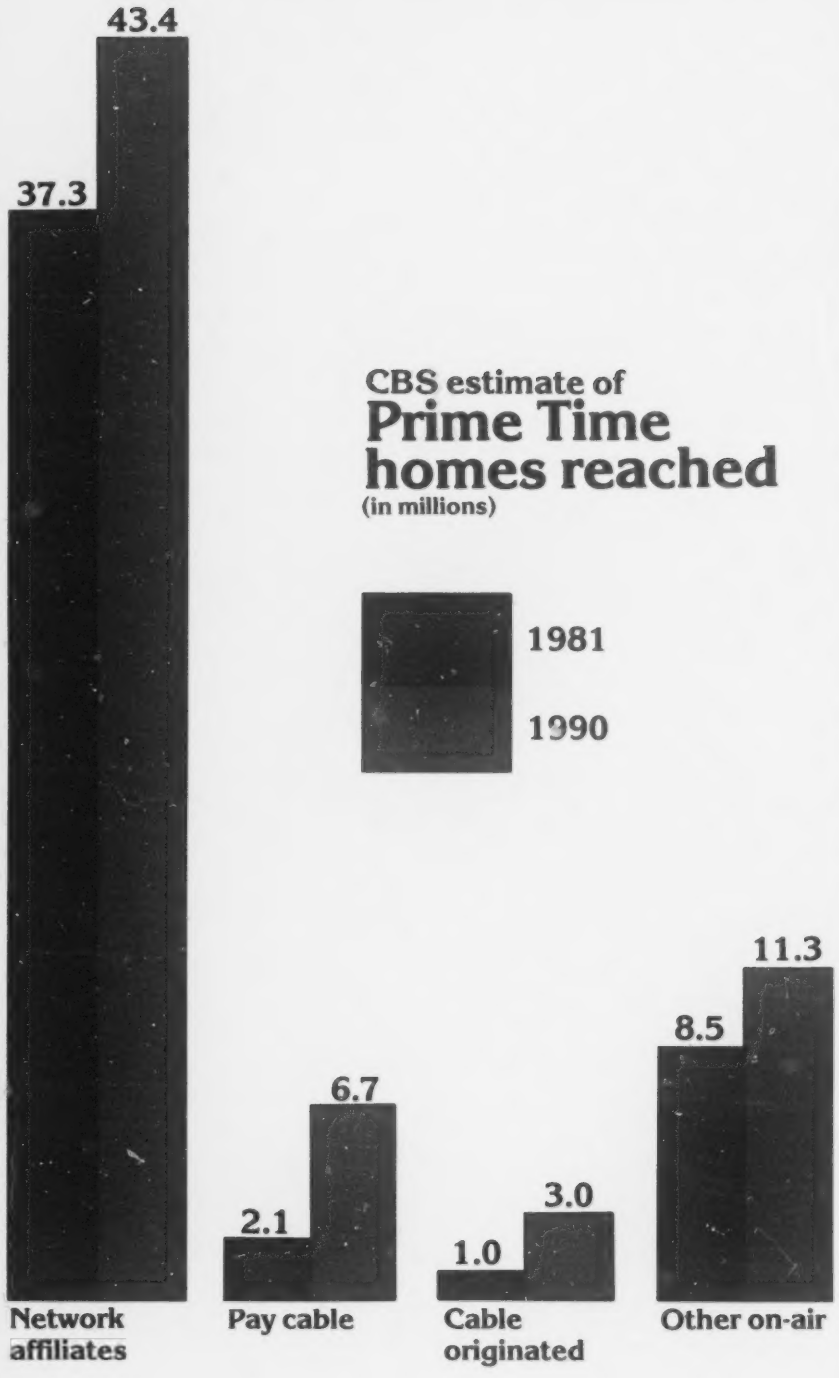
(Jankowski insists that coincidence is the only connection between Paley's exit and CBS Cable's demise. "Mr. Paley was very much involved in the Board's unanimous decision about shutting down by January," he said.)

View from Madison Ave.

Reluctance is a mild way to describe what CBS Cable, and the other networks spawned at the same time, ran into on Madison Avenue. Actual ad revenues came to well under half the level CBS projected—a "silly projection anyway," said one top agency's cable executive, bristling at CBS' repeated reference to the failure of advertisers to come through on promises to cable. "We put in the 5 percent of some clients' budgets, just as we said we would. But there were a lot of ways to spread. Did CBS expect to get it all?" As it was, the network had to drop its $2,400-per-60-second rate. Even though 30s could go for $500, buyers still had to take a spot on the original showing plus three repeats, for a total $2,000 minimum. By contrast, ARTS' 30s, at perhaps $800, include a West Coast repeat free. The strategy of program cutbacks eventually was imposed in February.

By then, rumors were rampant that the company would abandon basic cable for pay, and the "Fix it or kill it" order already had been given—four months after the launch of a service CBS had publicly estimated might take four years to come into its own.

It was also in February that Thomas Wyman, addressing a glum group of securities analysts, assured Wall Street that the new cable/home video joint venture between CBS Inc. and 20th Century-Fox meant CBS Cable losses in 1982 would be shared between the two. But there would soon come a no-confidence



'One of the things our original projections counted on was that many of the major cities would start to be wired.'

vote from Fox. It declined to make CBS Cable a part of the alliance.

On Sept. 6, Jankowski returned from vacation and plunged into preparation of the Group's budget, due before the corporation in mid-October. Warm talks between Tom Leahy, executive vice president of the Broadcast Group, and Chuck Dolan, general partner in Cablevision Programming Enterprises, heated and exploded on Sept. 9 over a last-minute, non-negotiable demand that CBS be free of a CBS/Bravo distribution agreement with another Dolan company, Rainbow, after five years.

On Sept. 13, one month before the Oct. 12 anniversary of CBS Cable's birth, CBS announced it would fold the network.

On Sept. 15, Jankowski sat for a second *CableVision Plus* interview. (See also highlights in *CV*, 9/27/82, p. 13.)

CV: What happened?

Jankowski: What happened is that this is the point of reinvestment, the time to face the 1983 budget. We had to say, "OK, guys, we're going to plow ahead with this" or . . .

CV: How big an investment?

Jankowski: Substantial. Less than the $30 million that's been bandied about.

[*This is a reference to CBS Cable's estimated $30-35 million loss, which CBS has quibbled about but generally confirmed. Additional start-up expense has been tallied in some Wall Street corners at another $25 million, which was about the amount of the loss company watchers expected for a continued operation next year.*]

Then you have to say, "OK, do we see any light at the end of the tunnel?" If we made the investment in '83, what would happen in '84?

One of the things our original projections counted on was that many of the major cities would start to be wired. In the last year, MSOs' timetables have slipped. The Queens and Brooklyn problems seem to drag on, Dallas isn't where it was supposed to be, Detroit attracted little interest in its RFP . . .

CBS Cable obviously would have found its audience in the more sophisticated urban areas. With those less accessible, and with the lack of support we've had from advertisers . . . albeit, we did have major agencies giving us ad dollars, it wasn't nearly the amount we would have to have.

CV: One former CBS executive says your projections called for $20 million in ad revenue and you got $8 million. Can you comment on that?

Jankowski: Not too far out of the ballpark.

CV: It's been said that you personally did not view as the most happy news the decision last year to turn CBS Cable into a division of your Broadcast Group. One, because you rightly expected broadcast affiliate discontent. Two, because you were prescient enough to figure ad dollars weren't going to materialize at the rate expected. What was your reaction to your inheritance of CBS Cable?

Jankowski: A very honest answer is that we said we would do the best we could to make it go.

CV: But how foresighted were you at that point? What I'm asking is whether you are surprised.

Jankowski: Am I surprised? Disappointed. I knew we'd have a tough go of it. But despite what some press said, there was no bad planning. There really wasn't. Based on the way the industry was progressing at the time, based on the attitudes of ad agencies and their clients, based on the economy, our feeling was that our sales estimates were not out of line.

As the year progressed, the economy worsened. That was a major part of our problem, I think. The uncertainty, the rumors started not by us but by the media that the service was going to go pay... Well, it wasn't going to go pay. First of all, the technology does not exist to allow us to have had 5.5 million subscribers this early on. But the rumors made our selling efforts that much more difficult.

CV: You've said you consider CBS Cable a success by three of the four yardsticks you set up. Explain.

Jankowski: From a content point, we wanted programming that wasn't abundantly available on commercial broadcasting. We succeeded in marvelous fashion. Everybody's very, very proud of what we were able to provide.

It didn't cost us a bloody fortune. Everybody says, "Well, my God, you went out and overspent." We did not. Because of the repeat cycle cable can enjoy, even if we spent $100,000 per hour, if we ran it ten times, the cost per exposure is miniscule.

The third point we consider a success is the degree by which we beat our subscriber budget. Projections called for a reach of 5.5 million by the end of this year. CBS Cable hit five million at the end of June and upped the year-end figure to six million.

For the quality we delivered that got us to this point, it's a real tribute to the people who worked so hard.

'For the quality we delivered that got us to this point, it's a real tribute to the people who worked so hard.'

photo by Robert D. Tonsing

CV: Speaking of whom, how long are their contracts and what becomes of them?

Jankowski: We hope we find places for them. We want to hold on to them. We have some real stars over there—not the least of whom is Programming Vice President Jack Willis. He's really special. He's under contract, happily. So I'm not concerned.

CV: How about Dick Cox, the president of CBS Cable?

Jankowski: I don't believe executive management is under contract. I'm not saying we'll be able to place all people. But every effort is being made to place as many as we can.

CV: Before you made the announcement of your decision on CBS Cable, you had had discussions with MSOs about its disposition. Characterize those talks.

Jankowski: They were on a "what if" basis. The feedback I got was "This is terrible. CBS has brought a lot to the cable industry and every effort should be made to keep this thing alive." Some of them suggested that maybe we should consider fees. Some were willing to pay a fee to help us keep it going.

[*Jankowski's report of MSO sentiment was confirmed indirectly a day or so later. A representative of another troubled basic cable network said wonderingly that an affiliate had allowed that maybe CBS Cable's fate suggested MSOs "better agree to fees just to keep suppliers in business."*]

CV: You've called the whole enterprise "a noble try."

Jankowski: It was a noble try. Maybe it was just a little bit premature.

The thing you cannot forget is that this is a new development. Every new development is running against the odds of success. The fact that it failed is in no way a problem. Most do. CBS has had failures in the past. We used to manufacture television sets and we got out of that. God knows, we have programming failures every year.

[*A day before, Jankowski lightly reminded securities analysts that two prime-time series cancellations could cost more than even the worst case write-off on CBS Cable. That pointed lesson in the economics of a $2 billion corporation underpins assessments—one serious, one snide—from observers of the company's decision to bow out of cable networking: One, a $30-, $40-, or $50-million "sacrificial lamb" is a fairly inexpensive way for a company fearful of Wall Street's judgment to prove its willingness to make tough management decisions. Two, launching a service and pulling the plug 11 months later is also a fairly inexpensive—and very dramatic—way to prove cable doesn't work.*]

CV: What will happen to the equipment and financial incentives offered to encourage affiliations?

Jankowski: That's being evaluated now. The good will of MSOs is very important to us.

CV: Which would demand that you not take back earth stations or any unspent marketing money?

Jankowski: Well, I don't know about "demand." It certainly suggests it strongly.

CV: How do you assess the marketability of CBS Cable's 440 hours of programming?

Jankowski: CBS International is selling a catalog-full. There is a lot of interest overseas.

CV: You have said that, worst case,

'The rumors (that CBS would go pay) made our selling efforts that much more difficult.'

photo by Robert D. Tonsing

CBS could have to write off another $10 million to $12 million in the third quarter, depending on program sales. Do you estimate the value of the CBS Cable inventory at that amount?

Jankowski: At least that, yes.

[*Broadcast Group Executive Vice President Tom Leahy, to whom CBS Cable reported, elaborated later: The remaining book value of the cable network's wares is put at some $12-$15 million. But that includes commitments made for material that will not now be produced. The actual value of the programming owned and in hand, then, "drops to about nine-ish," according to Leahy.*]

***CV*:** How does the financial interest rule affect your use of the programming?

Jankowski: I don't think it does, really. The financial interest rule, which the FCC is re-evaluating now, says we can't syndicate programming we own.

***CV*:** How much of what was produced or acquired do you own?

Jankowski: Well, you could say we own all of it or have rights to all of it.

***CV*:** What sort of rights? Cable? Broadcast?

Jankowski: To do something else with it, something other than the CBS Cable run. We can sell it to other cable networks, we can put it on cassettes for home use, we could sell it to a syndicator.

[*Leahy again provided details: "We own between 50 and something under 60 percent of all CBS Cable programming. In addition to 'Signature,' there are things like 'Early Days' with Ralph Richardson, 'Basie at Carnegie Hall,' that kind of evergreen event. In all cases—programming owned and produced, acquired domestically or acquired overseas—we have the domestic rights, assignable to other cable services. Pay channels have indicated interest. We could also use the material on our owned-and-operated stations, and we are having discussions about some use on the CBS network."*]

The following comments are excerpted from an interview with Jankowski on August 20, prior to the announcement of the demise of CBS Cable.

***CV*:** What about your franchising plans? Do you plan to reach the 90,000-subscriber limit the FCC allotted you? Will you do acquisitions? Where are you on that schedule?

Jankowski: That's one of the things I hope we learn how to block off. We learned a lot in our Alameda franchise bid. We came in a close second. I'm happy with that. A lot of us are, all things considered.

***CV*:** Does that mean you wouldn't want to be in Alameda now, all things considered?

Jankowski: No, no. But I gather the situation still isn't clear there. And considering the fact that we got in at the eleventh hour, that we wound up as close as we did under the circumstances, is a tribute to the people we had and the effort we put forth.

Our Blackhawk Cable acquisition is an up-to-date, 35-channel system located in a very fast-growing part of the country, Dallas and Fort Worth. We're going to learn a lot there—who subscribes and who doesn't and why. Because in a couple of the little towns we serve, the subscription rate is very low.

***CV*:** But are you saying you won't go forward, even to the 90,000 minimum?

Jankowski: That decision is not made either. What we're going to do is monitor it very closely and see what we can learn by being a hardware operator. In the meantime, the FCC has asked for comments on whether or not the ban on network ownership of cable should change.

CBS Cable covered the musical spectrum, ranging from an 11-hour series with the Vienna Philharmonic: "Bernstein Conducts Beethoven," to "Call Me Betty Carter," a program of bebop jazz (below).

Blackhawk will give us the information to prepare to respond if and when that happens.

***CV*:** But you would certainly go forward aggressively in requesting that the rules be changed, without waiting to see what happens to you in Texas?

Jankowski: That's based on principle. Absolutely true, yes. We think the rules are discriminatory.

***CV*:** What other kinds of cable programming might CBS involve itself in?

Jankowski: What other kinds of cable programming might other organizations involve themselves in?

***CV*:** Are you still interested in cable sports?

Jankowski: We're interested in a lot of things that I really don't want to get into. Because from a thought point of view, an idea point of view, I'm not so sure we want to share.

***CV*:** Cable as a vehicle for sports to supplement commercial television—how does that fit into your thinking?

Jankowski: I think people will always pay for what they've always paid for. They will pay for movies and sports, especially at the local level. I think we'll benefit from pay television. As a matter of fact, the first two rounds of Masters Golf appeared on USA Network, and HBO carries U.S. Open tennis—in both cases the parts that CBS doesn't provide.

***CV*:** When you say people will pay for what they've always paid for, you mean box office events?

Jankowski: Yes. HBO's been able to demonstrate that. And the recent trend in regional-based sports—well, it's not a trend yet—but the steps taken by TEN in Chicago, or Bill Daniels with the U.S. Football League or Chuck Dolan with the Yankees are initial moves. Again, the emphasis we have is at the local level. But I don't think people would pay for entertainment programming on an ongoing basis, non-theatrical. I don't think people would pay to see a weekly series.

***CV*:** You're talking for the relatively short term. What about the great sports events that have always been available on commercial television, once your long-term has started?

Jankowski: I think a lot of people were surprised at the amount of money we paid for NFL football. The big events that the mass public has been able to enjoy for so many years will remain in the public domain. I don't believe that five years or 10 years from now, events like the World Series or the Super Bowl are going to be taken away from the free universe and only be available to those who have the financial or technological capacity to receive them.

***CV*:** Repeat your evaluation of commercial television's share of the available market by 1990.

Jankowski: By 1990, we estimate that the network share of the commercial marketplace will probably have dropped about 10

CBS at a glance

	6/82	6/81
Revenues	$2.04 billion	$ 1.97 billion
Pre-tax income	101.4 million	111.4 million
Net income	58.3 million	63.5 million
Earnings/share	2.08	2.27*

*(after discontinued operation)

Prime Time share of audience

National Average

	1981/82	1990
Network affiliates	78	70
Pay cable	4	11
Cable originated	2	5
Other on-air	18	18

Note: Source for 1981/82 shares is Nielsen Television Index, July, Nov. 1981; Feb., May 1982.

points from where it is today. That will make it somewhere in the 70 percent range. But at the same time, we anticipate more than five million (more) TV homes. So if you're talking about prime-time television, the absolute number of homes that will be watching the three networks combined will grow from roughly 38 million homes currently to about 42-43 million by 1990. Right now there are approximately 81 million television homes in the country and we anticipate that by 1990, there will be close to 99 million.

CV: Do you see yourself as the provider of at least one other cable network and as a cable MSO? Is that CBS' future in cable?

Jankowski: I think the track record of CBS—in radio or television or publishing—says that, in the future beyond 1990, CBS will be represented in successful communications vehicles. Now, that could very well be something we haven't talked about. Direct broadcast to motion picture theaters, for example.

[*More frequently discussed is CBS' FCC application for an entry into multichannel MDS. It has won Wall Street plaudits for its economical plan to develop such a system in the five markets where its stations operate. In the words of one analyst, "It will cost less in a year than the company spends in a day." Initial cost is put at $4.5 million.*]

I'm convinced that CBS as an ongoing succe. sful communications complex is goi..g to be represented in whatever it is that's very successful. ■

Below, Shirley Knight in a scene from "Kennedy's Children"—one of CBS Cable's theatrical offerings.